(f) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) the financial performance of Air India for the years 1996-97 and 1997-98 is as under:—

Year	Loss (Rs. in crores)
1996-97	296.94
1997-98	280.43 (Provisional)

(b) to (f) Performance of Air India is reviewed periodically by the Management and the Board of Air India. The reviews have revealed that losses were incurred by the airline due to increase in expenditure on account of interest and depreciation on new aircraft, reduction in yield due to increased competition and cost of operations, increased landing, handling and navigational charges, agitation by engineers, depreciation of rupee value, etc.

Air India has taken following steps to reduce losses:—

(i) Network Rationalisation and consolidation.

(ii) Product upgradation

(iii) Improvement in on-time performance.

(iv) Creation of independent cost/profit centres.

Government have also constituted a committee of experts under the Chairmanship of Dr. Vijay Kelkar, Chairman, Tariff Commission to undertake a comprehensive examination of the reasons for the losses incurred by the Air India and to suggest strategies for turning around the company.

Development of Air Strip Near Raichur

604. DR. Y. LAKSHMI PRASAD: Will the Minister of CIVIL AVIATION be pleased to stale:

(a) whether Government propose to develop the air strip near Raichur into a full fledged airport in view of public demand and faster growth of the city;

(b) whether Government would also link Raichur with Hyderabad to improve transport facilities; and

(c) if so, the target set up for this purpose and if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) There is no proposal at present to develop an airport at Raichur.

(b) and (c) Question does not arise.

Construction of Domestic and International Airport at Guwahati

605. DR. ARUN KUMAR SARMA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the amount allocated for the construction of the International Airport at Guwahati and the present status of the construction work of the airport;

(b) the constraints faced by the Airport Authority of India in execution and timely completion of the construction of terminal building of the domestic airport and the actions initiated by the Ministry in this regard; and

(c) the status of progress of construction of 'erminal building and runway of Lilabari airport Assam and time by which is scheduled to complete?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) An amount of Rs. 100 crores has been earmarked in the 9th Five Year Plan for upgradation of infrastructure facilities at Guwahati airport. The detailed estimates arc being prepared and work is likely to be completed during the 9th Plan period.

(b) The progress of the work relating to modification of existing domestic terminal building was interrupted due to the fact that CP.WD, the agency for project management on behalf of AAI, had to change the contractor as the work done was not satisfactory. Disturbed conditions